



COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT



PRESS RELEASE

4503/87 (Presse 16)

1140th Council meeting  
- Economic and Financial Affairs -  
Brussels, 9 February 1987

President: Mr Mark EYSKENS

Minister for Finance  
of the Kingdom of Belgium

The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

Mr Mark EYSKENS Minister for Finance

Denmark:

Mr Jakob Esper LARSEN Ambassador,  
Permanent Representative

Germany:

Mr Hans TIETMEYER State Secretary,  
Federal Ministry of Finance

Greece:

Mr Yannis PAPANTONIOU State Secretary for Economic Affairs

Spain:

Mr Guillermo de la DEHESA State Secretary for Economic Affairs

France:

Mr François SCHEER Ambassador,  
Permanent Representative

Ireland:

Mr Maurice DOYLE Secretary-General  
Department of Finance

Italy:

Mr Giovanni GORIA Minister for the Treasury

Luxembourg:

Mr Jacques POOS Minister for Economic Affairs  
and the Self-Employed

Netherlands:

Mr O.C.R. RUDING

Minister for Finance

Portugal:

Mr Miguel CADILHE

Minister for Finance

United Kingdom:

Mr Peter BROOKE

Minister of State, Treasury

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Commission:

Willy DE CLERCQ

Member

EXPORT CREDITS - AMENDMENT TO THE ARRANGEMENT ON GUIDELINES

On the basis of a report from the Commission, the Council approved the compromise submitted on 23 January 1987 to the Participants in the Arrangement on Guidelines for Officially Supported Export Credits by Mr WALLEN, their Chairman, concerning an amendment to that Arrangement, with particular reference to tied aid credits.

The features of this compromise on which the Participants have to state their views by 15 March 1987 are set out below:

1. First stage

- (a) The minimum grant element for tied and partially untied aid credits to LLDCs will be increased to 50%.

The minimum grant element for tied and partially untied aid credits to all other developing countries will be increased to 30%.

- (b) The discount rate for calculating the grant element will be related to the CIRR for each currency and will be calculated as follows:

$$\text{CIRR} + 1/2 (10 - \text{CIRR})$$

- (c) These measures will enter into force on 1 July 1987.

2. Second stage

- (a) The minimum grant element for tied and partially untied aid will be increased to 35% for developing countries other than LLDCs.

- (b) The discount rate for calculating the grant element will be calculated as follows:

$$\text{CIRR} + 1/4 (10 - \text{CIRR})$$

- (c) The interest rate subsidies for importing countries in category I of the matrix will be abolished. The matrix interest rates for importing countries in categories II and III will be increased by 30 basic points.

- (d) These measures will enter into force on 1 July 1988.

ECONOMIC SITUATION IN THE COMMUNITY

The Council held an exchange of views on the economic situation in the Community and on the international monetary situation.

MISCELLANEOUS DECISIONS

System of compensation for loss of export earnings for non-ACP LLDCs

Further to the political agreement reached on 26 and 27 January 1987 <sup>(1)</sup>, the Council adopted two Regulations, the purpose of which is to implement the undertaking entered into by the Community to set up, under certain conditions, a system of compensation for loss of export earnings from agricultural commodities for non-ACP LLDCs. This undertaking was announced by the Community in Geneva on 2 October 1985 during the mid-term review of implementation of the substantial new programme of action for the least-developed countries drawn up at the Conference organized by the United Nations in Paris in 1981.

With the aim of remedying the effects of the instability of export earnings and of aiding the States concerned in their development efforts, the purpose of the system is to help stabilize the said States' earnings from exports to the Community of agricultural commodities <sup>(2)</sup> on which their economies depend.

The system covers the period 1986 to 1990, and transfers will have to start as from the financial year 1987 on the basis of the statistics for 1986.

The estimated budgetary cost of implementing the system is 50 million ECU for the five-year period.

The States eligible <sup>(3)</sup> for the system are countries appearing on the list of LLDCs drawn up by the United Nations which are not signatories to the Lomé Convention. They will benefit from the system provided they attain a certain threshold of dependence on the products concerned.

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(1) See Press Release 4366/87 of 26/27.1.1987.

(2) The list of products is annexed hereto.

(3) Bangladesh, Bhutan, Haiti, Laos, Maldives, Nepal, Yemen and North Yemen.

Import arrangements for manioc and sweet potatoes

The Council adopted in the official languages of the Communities:

- a Regulation concerning the import arrangements applicable to products falling within subheading 07.06 A of the Common Customs Tariff and coming from third countries, and amending Regulation (EEC) No 950/68 on the Common Customs Tariff;
- a Decision authorizing the Commission to open negotiations or consultations with the Contracting Parties to the GATT with a view to modifying the bound tariff concession (6%) for sweet potatoes and other products which fall within subheading 07.06 B of the Common Customs Tariff and are for use other than human consumption.

The Regulation stipulates that for products falling within subheading 07.06 A of the Common Customs Tariff - manioc, arrowroot, salep and other similar roots and tubers with a high starch content, with the exception of sweet potatoes - the levy of not more than 6% ad valorem applicable to imports shall be collected solely on the following annual quantities fixed by the third country of origin:

- (a) Thailand: the quantities resulting from the renewal of the agreement for 1987, 1988, 1989 and 1990;
- (b) Indonesia: 825 000 tonnes a year for 1987, 1988 and 1989;
- (c) other countries which are at present Contracting Parties to the GATT, with the exception of Thailand and Indonesia: 145 590 tonnes a year for 1987, 1988 and 1989;
- (d) China: 350 000 tonnes a year for 1987, 1988 and 1989;
- (e) third countries other than those referred to in (a), (b), (c) and (d): 30 000 tonnes for 1987; for 1988 and 1989 the quantities will be fixed by the Council, acting by a qualified majority on a proposal from the Commission.

Research

The Council adopted in the official languages of the Communities the following Decisions:

- concerning the final conclusion on behalf of the EEC of the Framework Agreements for Scientific and Technical Co-operation between the European Communities and the Kingdom of Sweden, the Swiss Confederation, the Republic of Finland, the Kingdom of Norway and the Republic of Austria;
- concerning the approval, for the purposes of the final conclusion by the Commission on behalf of the EAEC, of the Framework Agreements for Scientific and Technical Co-operation between the European Communities and the Kingdom of Sweden, the Swiss Confederation, the Republic of Finland, the Kingdom of Norway and the Republic of Austria.

GATT

The Council adopted in the official languages of the Communities the Decision on the conclusion of the Protocol of Accession of Mexico to the General Agreement on Tariffs and Trade.

Commercial policy

The Council adopted in the official languages of the Communities the Decision accepting an undertaking given in connection with the anti-dumping proceeding concerning imports of paint, distemper, varnish and similar brushes originating in the People's Republic of China, and terminating the investigation.



Financial year 87 - additional provisional twelfths

To meet immediate and unavoidable financial requirements, the Council recorded its agreement to a draft Decision authorizing additional provisional twelfths for the sections of the Commission's budget concerning certain financial obligations in connection with fisheries with regard to Greenland and Sweden and administrative requirements of the Office for Official Publications.

Appointment

Acting on a proposal from the French Government, the Council appointed Mr J.M. CHAROUD member of the Euratom Supply Agency Committee to replace Mr P. FRIGOLA, who has resigned, for the remaining term of office, which runs until 28 March 1987.

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List of products covered by the Compex system

Groundnuts, shelled or not	Vanilla
Groundnut oil	Cloves (whole fruit, cloves and stems)
Cocoa beans	Sheep's or lambs' wool, not carded or combed
Cocoa paste	Fine animal hair of Angora goats - mohair
Cocoa butter	Gum arabic
Raw or roasted coffee	Pyrethrum (flowers, leaves, stems, peel and roots), saps and extracts from pyrethrum
Extracts, essences or concentrates of coffee	Essential oils, not terpenes, of cloves, of niaouli and of Ylang-ylang
Cotton, not carded or combed	Sesame seed
Cotton linters	Cashew nuts and kernels
Coconuts	Pepper
Copra	Shrimps and prawns
Coconut oil	Squid
Palm oil	Cotton seeds
Palm nut and kernel oil	Oil-cake
Palm nuts and kernels	Rubber
Raw hides and skins	Peas
Bovine cattle leather	Beans
Sheep and lamb skin leather	Lentils
Goat and kid skin leather	Nutmeg
Wood in the rough	Shea nuts
Wood roughly squared or half-squared, but not further manufactured	Shea nut oil
Wood sawn lengthwise, but not further prepared	Mangoes
Fresh bananas	Dried bananas
Tea	Mace
Raw sisal	Jute

Bruxelles, le 6 février 1987.

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NOTE BIO (87) 32 AUX BUREAUX NATIONAUX  
cc. aux Membres du Service du Porte-Parole

PREPARATION DU CONSEIL ECO/FIN (E. Leball)

Le seul point à l'ordre du jour formel du Conseil Eco/Fin sera les crédits à l'exportation. Les Ministres continueront leurs discussions sur les crédits d'aides liées à la proposition de modification de l'arrangement sur les lignes directrices, l'objectif étant que la Communauté ait une position sur ce sujet pour le 15 mars prochain.

RENDEZ-VOUS DE MIDI DU 6 FEVRIER 1987

1. Préparation du Conseil agricole (voir bio 31)
2. Préparation du Conseil Eco/Fin (voir ci-dessus)
3. Matériel diffusé :
  - IP 60 - Résumé du discours de M. Ntali à la conférence consultative de la SADCC à Bagorone + texte intégral
  - Mémo 16 - Coopération entre la CEE et l'Afrique Australe / SADCC
  - Mémo 15 - Coopération CEE/Zamgile - Visite officielle de M. Ntali les 7 et 8 février 1987.
  - Discours de M. De Clercq à Gand devant l'Executive Club Belgium à Gand - Embargo 19h30.

  
Amitiés,  
H. Paemen

Bruxelles, le 9 février 1987

NOTE BIO(87) 32 (suite 1) AUX BUREAUX NATIONAUX  
cc. AUX MEMBRES DU SERVICE DU PORTE-PAROLE

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CONSEIL ECO/FIN (F. LE BAIL)  
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### Crédits à l'exportation

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Le Conseil a adopté à la majorité qualifiée, malgré l'opposition de l'Allemagne, des Pays-Bas et de la Grèce, le compromis portant sur la modification de l'Arrangement de l'OCDE relatif aux crédits à l'exportation bénéficiant d'un soutien public.

Depuis plusieurs années l'OCDE cherche à renforcer la transparence et la discipline pour les crédits à l'exportation qui comportent un élément de don, crédits appelés crédits d'aide liée. Le 23 janvier dernier, les parties à cet Arrangement sont parvenues à un large consensus sur la base d'une proposition de compromis présentée par la Commission. Les participants à l'Arrangement étaient invités à se prononcer pour le 15 mars prochain.

M. DE CLERCQ en présentant au Conseil le compromis en question a souligné l'importance de rendre plus cher l'octroi des crédits d'aide liée pour réduire leur utilisation à des fins purement commerciales et d'autre part de mettre les différents pays exportateurs qui ont recours à de tels crédits sur un pied d'égalité en ce qui concerne leur coût. Il a également rappelé que c'est le Japon qui bénéficie principalement de la situation actuelle en matière d'aide liée puisqu'il remporte plus de 60 % de tous les contrats d'exportation financés moyennant de tels crédits.

Le compromis adopté par le Conseil tient en 3 points :

- augmentation de l'élément-don minimum qui est à l'heure actuelle de 25 %, pour le faire passer à 30 % au 1er juillet 87 et à 35 % au 1er juillet 88. La totalité des Etats membres étaient d'accord sur ce point.

- abandon progressif dans la méthode de calcul de l'élément-don, du taux d'actualisation uniforme de 10 %. Ce taux qui favorise les pays dont le taux d'intérêt est bas, sera en 2 étapes (1er juillet 87 et 1er juillet 88) remplacé par une formule différenciée rapprochant le taux de référence des taux réellement pratiqués sur le marché. Il s'agit donc d'un retour progressif au prix de revient du crédit.

C'est cet aspect du compromis qui a rencontré l'opposition de l'Allemagne et des Pays-Bas. Ces 2 Etats membres estiment que cette nouvelle formule est au détriment des pays qui mènent une politique économique saine.

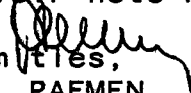
- A ces 2 points s'ajoute un élément qui ne concerne pas les crédits d'aide liée : il s'agit de supprimer au 1er juillet 88, les crédits subventionnés pour les pays de la catégorie I de l'Arrangement c'est-à-dire les pays relativement riches. La Grèce qui a été récemment reclassée dans cette catégorie, du fait de son adhésion à la Communauté, n'était pas favorable à cette

partie du compromis.

Régime à l'importation du manioc et des patates douces

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Le Conseil a adopté en point A une proposition de la Commission visant à autoriser celle-ci à ouvrir des négociations en vue de déconsolider au GATT la concession tarifaire de 6 % sur les patates douces et à fixer pour le manioc pour les différents pays fournisseurs (Thaïlande, Indonésie, Chine, Brésil) des régimes d'importation à concurrence de certaines quantités au taux de 6%. (Voir note P-95 Nov.1986).

  
Amities,  
H. PAEMEN